



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

May 27, 2008

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

SUBJECT: Final Environmental Impact Statement for Hydropower Licenses for the Yadkin Hydroelectric Project (FERC Project No. P-2197-073); and the Yadkin-Pee Dee River Hydroelectric Project (FERC Project No. P-2206-030) in Anson, Davidson, Davie, Montgomery, Richmond, Rowan, and Stanly Counties, North Carolina; CEQ Number 20080152

Dear Secretary Bose:

The U.S. Environmental Protection Agency (EPA) has reviewed the referenced Final Environmental Impact Statement (EIS) in accordance with its responsibilities under Section 309 of the Clean Air Act and Section 102(2)(C) of the National Environmental Policy Act (NEPA). The Federal Energy Regulatory Commission (FERC) proposes to approve two new major licenses for the Yadkin Hydroelectric Project, FERC Project No. 2197 (Yadkin Project) and the Yadkin-Pee Dee River Hydroelectric Project, FERC Project No. P-2206 (Yadkin-Pee Dee Project). The Yadkin Project is located on the Yadkin River in Davidson, Davie, Montgomery, Rowan, and Stanly Counties, North Carolina. The Yadkin-Pee Dee Project is located on the Yadkin and Pee Dee Rivers in Anson, Montgomery, Richmond, and Stanly Counties, North Carolina. The Yadkin Project is owned by Alcoa Power Generating Inc. (Alcoa Generating), and Progress Energy Carolinas (Progress Energy) owns and operates the Yadkin-Pee Dee Project.

Three alternatives were evaluated in the Final EIS: 1) the no action alternative (continued operation as required by the existing licenses); 2) final settlement agreement (FSA) conditions developed by Alcoa Generating and Progress Energy in cooperation with a number of public and private stakeholders; and 3) FERC staff-recommended alternative for both licenses. The FERC staff alternative, which includes the FSA conditions and some additional modifications, is the preferred alternative.

Overall, the measures proposed by Alcoa Generating and Progress Energy, along with the additional FERC staff recommended and revised measures, represent a balancing of developmental and non-development interests and would protect and enhance existing water use, water quality, fish and wildlife, land use, aesthetics, recreational, and cultural resources. EPA continues to support the need for a comprehensive monitoring program to ensure that the provided minimum flows are adequately protecting aquatic life in the Pee Dee River below Tillery Dam. EPA also supports FERC's recommendation to develop the monitoring plan in consultation with appropriate agencies and to include specific evaluation criteria to assist in the

identification and implementation of appropriate corrective measures, if necessary. As identified in our comments on the Draft EIS, we continue to request that this consultation also include EPA.

Based on the extensive environmental protection measures and monitoring programs described in the Final EIS, EPA has no additional concerns related to this project. We appreciate the opportunity to review the proposed action. Please contact Ben West of my staff at (404) 562-9643 if you have any questions or want to discuss our comments further.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Mueller", with a stylized flourish at the end.

Heinz J. Mueller, Chief
NEPA Program Office
Office of Policy and Management

cc: U.S. Fish and Wildlife Service, Raleigh Office
NOAA National Marine Fisheries Service
North Carolina Division of Water Resources
North Carolina Division of Water Quality
North Carolina Wildlife Resources Commission
South Carolina Department of Natural Resources
South Carolina Department of Health and Environmental Control
Alcoa Generating
Progress Energy